

**INITIAL STATEMENT OF REASONS**  
**Title 2, Division 3, Chapter 1, Article 5.4, Structural Requirements for Vapor**  
**Control Systems at Marine Terminals**

**SPECIFIC PURPOSE OF THE REGULATION**

The Regulations under Article 5.4 became effective in October 1997. The regulations addressed the necessary structural strengthening requirements for docks and piers because of the installation of vapor control systems, machinery and appurtenances on the dock.

The regulations under Article 5.4 have been superseded by the recently approved Title 24, Part 2, Volume 1 of the California Code of Regulations entitled "Marine Oil Terminal Engineering and Maintenance Standards" (the MOTEMS). MOTEMS becomes effective with effect from February 6, 2006.

**NECESSITY**

As part of the Lempert-Keene-Seastrand Oil Spill Prevention and Response Act of 1990 (the Act), §8755 of the Public Resources Code (P.R.C.) requires the State Lands Commission (the Commission) to adopt regulations for the operation of all marine oil terminals within the State of California. P.R.C. §8756 also requires the Commission to review and modify its regulations periodically so as to provide the best achievable protection of the public health and safety and the environment.

In order to establish the program of regulatory development and commence its inspection and monitoring activities, the Commission created the Marine Facilities Division (the Division) in November 1990. Since that time, the Division has established comprehensive regulations to govern safety of operations at marine oil terminals and training of marine terminal personnel.

In June 1991, the federal government required the fitting of vapor control systems at marine oil terminals. The regulations under 33 CFR Part 154, Subpart E included a US Coast Guard certification program for such installations. However, the federal regulations did not have provisions for the structural strengthening of dock components where these systems were fitted. As Commission staff witnessed the installation of vapor control systems, they became aware that there was a need in many cases to strengthen certain structural components of the dock bearing the load of vapor control equipment. Commission staff developed structural regulations under 2 CCR Article 5.4. This article became effective in 1997.

Since 1991 Commission staff, in consultation with industry and consultants, has developed comprehensive specific requirements in the MOTEMS. The majority of MOTs in California are over 50 years old. There were no existing standards at the time these MOTs were built. Since they were built, the size of tank vessels which berth at

these MOTs has increased threefold. At the time they were built, there were no provisions for providing safety from seismic activity. The MOTEMS under 24 CCR Chapter 31F, Divisions 1 through 11, were adopted by the Commission on August 17, 2004 and approved by the Building Standards Commission on January 19, 2005. The MOTEMS is the only comprehensive structural, mechanical, electrical and safety standard in the US.

The MOTEMS incorporates all of the provisions of 2 CCR, Article 5.4. If Article 5.4 were not repealed, there would be duplication within the California Code of Regulations. Duplication would likely lead to confusion and misinterpretation by the regulated community. The Commission is therefore taking the necessary steps to repeal the regulations under Title 2, Division 3, Chapter 1, Article 5.4 entitled "Structural Requirements for Vapor Control Systems at Marine Terminals."

#### TECHNICAL, THEORETICAL, AND/OR EMPIRICAL STUDY, REPORTS, OR DOCUMENTS

Commission staff did not rely on any technical, theoretical, empirical reports or documents in proposing this repeal of Article 5.4. However, during the development of the MOTEMS, Commission staff used several studies, reports and standards of various authoritative industrial associations, institutes and organizations. The MOTEMS identifies all these references.

#### REASONABLE ALTERNATIVES TO THE REGULATION AND THE AGENCY'S REASONS FOR REJECTING THOSE ALTERNATIVES.

No other alternatives were presented to or considered by the Commission.

#### REASONABLE ALTERNATIVES TO THE PROPOSED REGULATORY ACTION THAT WOULD LESSEN ANY ADVERSE IMPACT ON SMALL BUSINESSES

The Commission has not identified any alternatives that would lessen any adverse impact on small businesses.

#### EVIDENCE SUPPORTING FINDING OF NO SIGNIFICANT ADVERSE ECONOMIC IMPACT ON ANY BUSINESS

The Commission has determined that these regulations do not affect small businesses as defined in Government Code (Gov. C.) Section 11342.610, because all affected businesses are maritime oil transportation and terminal owners and operators, as specified under Gov. C. Section 11342.610(c)(7) and having annual gross receipts of more than \$1,500,000.